



General Assembly

February Session, 2006

Raised Bill No. 5734

LCO No. 2927

02927_____JUD

Referred to Committee on Judiciary

Introduced by:
(JUD)

***AN ACT CONCERNING TIME LIMITS FOR PROVIDING PAYOFF
STATEMENTS TO MORTGAGORS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 49-10a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2006*):

3 (a) A mortgagee or the mortgagee's attorney shall, upon written
4 request of the mortgagor or the mortgagor's attorney or other
5 authorized agent, provide a payoff statement in writing to the person
6 requesting [such] the payoff statement on or before the date specified
7 in such request, provided such request date is at least [ten] five
8 business days [from] after the date of receipt of the written request for
9 a payoff statement.

10 (b) If the mortgagee or the mortgagee's attorney fails to provide
11 [such] the payoff statement on or before such request date in
12 accordance with subsection (a) of this section, the mortgagee shall not
13 be entitled to the payment of any interest on the mortgage loan which
14 is secured by such mortgage which accrues after the expiration of such
15 request date. If the mortgagee or the mortgagee's attorney provides the

16 payoff statement to the person requesting the [same] payoff statement
 17 after the expiration of such request date, interest on the mortgage loan
 18 which accrues after the receipt of [such] the payoff statement by the
 19 person who has requested it shall again be payable. The burden of
 20 proof shall be on the mortgagor with respect to the receipt by the
 21 mortgagee or the mortgagee's attorney of the mortgagor's request for a
 22 payoff statement of the mortgage loan, and thereafter shall be on the
 23 mortgagee, or the mortgagee's attorney for purposes of subsection (c)
 24 of this section, with respect to the receipt of the payoff statement by
 25 the mortgagor or the mortgagor's attorney or other authorized agent.

26 (c) If the mortgagee's attorney receives a written request to provide
 27 a payoff statement in accordance with subsection (a) of this section and
 28 the mortgagee's attorney fails to provide the payoff statement by the
 29 request date, the mortgagee's attorney shall be liable for any fees and
 30 costs incurred by the mortgagor, including, but not limited to,
 31 reasonable attorneys' fees, that are attributable to the failure of the
 32 mortgagee's attorney to provide the payoff statement by the request
 33 date.

34 (d) The mortgagee and the mortgagee's attorney shall not impose
 35 any fee or charge for the first payoff statement requested within a
 36 calendar year, unless the mortgagor or the mortgagor's attorney or
 37 other authorized agent requests expedited delivery of the payoff
 38 statement, agrees to pay a fee for such expedited delivery and the
 39 payoff statement is provided by the agreed upon date.

This act shall take effect as follows and shall amend the following sections:

Section 1	October 1, 2006	49-10a
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Statement of Purpose:

To reduce from ten days to five days the time by which a payoff statement must be provided to mortgagors, and impose liability on the attorney for a mortgagee who receives a request for a payoff statement and fails to provide the payoff statement within five days.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]